

Utah Independent Living Center, Inc.

**Financial Statements
with Additional Information
and Single Audit Reports**

Year Ended September 30, 2005

**Ulrich & Associates, PC
Certified Public Accountants
Ogden, Utah**

Utah Independent Living Center, Inc.

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Ulrich & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Utah Independent Living Center, Inc.

We have audited the accompanying statement of financial position of Utah Independent Living Center, Inc. (a non-profit organization) as of September 30, 2005, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Utah Independent Living Center, Inc. as of September 30, 2005, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2006, on our consideration of Utah Independent Living Center, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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Our audit was performed for the purpose of forming an opinion on the basic financial statements of Utah Independent Living Center, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Ulrich & Associates, P.C.

January 10, 2006

Utah Independent Living Center, Inc.
Statement of Financial Position
September 30, 2005

Assets

Current assets	
Cash and cash equivalents	\$ 147,778
Accounts receivable	87,277
Prepaid items	<u>12,769</u>
Total current assets	247,824
Cash reserves - building fund	79,301
Property and equipment, at cost, net	<u>366,972</u>
Total assets	<u><u>\$ 694,097</u></u>

Liabilities and Net Assets

Current liabilities:	
Accounts payable	\$ 52,097
Accrued liabilities	<u>23,982</u>
Total liabilities	<u>76,079</u>
Net assets	
Unrestricted	
Designated- building fund	79,301
Undesignated	538,717
Temporarily restricted	<u>-</u>
Total net assets	<u>618,018</u>
Total liabilities and net assets	<u><u>\$ 694,097</u></u>

The accompanying notes are an integral part of the financial statements.

Utah Independent Living Center, Inc.
Statement of Activities
Year Ended September 30, 2005

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public Support and Revenue			
Public support			
Grants	\$ -	845,470	845,470
Contributions	5,371	-	5,371
Contributions in kind	24,838	-	24,838
Fundraising	28,707	-	28,707
Interest & dividends	1,144	-	1,144
Other revenues	161	-	161
	<u>60,221</u>	<u>845,470</u>	<u>905,691</u>
Net assets released from donor restrictions	<u>846,330</u>	<u>(846,330)</u>	<u>-</u>
Total revenue and other support	<u>906,551</u>	<u>(860)</u>	<u>905,691</u>
Expenses			
Program services			
Independent living	813,072	-	813,072
Support services			
Management and general	80,981	-	80,981
Fundraising	4,727	-	4,727
Total expenses	<u>898,780</u>	<u>-</u>	<u>898,780</u>
Change in net assets	7,771	(860)	6,911
Net assets, beginning of year	<u>610,247</u>	<u>860</u>	<u>611,107</u>
Net assets, end of year	<u>\$ 618,018</u>	<u>\$ -</u>	<u>618,018</u>

The accompanying notes are an integral part of the financial statements.

Utah Independent Living Center, Inc.
Statement of Functional Expenses
Year Ended September 30, 2005

	Program Services	Supporting Services		
	Independent Living	Management and General	Fund Raising	Total
Salary and wages	\$ 385,160	38,350		423,510
Payroll taxes and benefits	193,712	19,288	-	213,000
Consumable supplies	5,203	274	-	5,477
Space costs	15,143	452	-	15,595
Telephone	8,419	251	-	8,670
Travel	7,489	-	-	7,489
Vehicle expense	6,473	-	-	6,473
Staff training	875	-	-	875
Interpreter	6,020	-	-	6,020
Contract services	83,100	15,235	-	98,335
Program & office supplies	14,248	-	-	14,248
Postage	2,050	108	-	2,158
Printing and copying	4,823	254	-	5,077
Subscriptions	802	-	-	802
Daily living/ emergency/ personal assistance	1,422	-	-	1,422
Awareness projects	-	-	1,667	1,667
Office equipment maintenance	5,960	178	-	6,138
Building maintenance	4,801	143	-	4,944
Association dues	3,625	-	-	3,625
Insurance	25,321	316	-	25,637
Building expense	3,981	119	-	4,100
Miscellaneous	-	-	3,060	3,060
Total expenses before depreciation and in-kind expenses	778,627	74,968	4,727	858,322
In-kind expenses	3,838	-	-	3,838
Depreciation	30,607	6,013	-	36,620
Total expenses	\$ 813,072	80,981	4,727	898,780

The accompanying notes are an integral part of the financial statements.

Utah Independent Living Center, Inc.
Statement of Cash Flows
Year Ended September 30, 2005

Cash Flows from Operating Activities

Decrease in net assets	\$ 6,911
Adjust to reconcile increase in net assets to net cash provided by operating activities	
Non-cash contributions	(21,000)
Depreciation	36,620
(Increase) decrease in operating assets	
Accounts receivable	(56,503)
Other current receivable	6,585
Increase (decrease) in operating liabilities	
Accounts payable	26,272
Accrued liabilities	<u>17,020</u>
Net cash provided by operating activities	<u>15,905</u>

Cash Flows From Investing Activities

Purchase of property and equipment	<u>(2,750)</u>
Net cash used in investing activities	<u>(2,750)</u>
Net increase (decrease) in cash and cash equivalents	13,155

Cash and cash equivalents at beginning of year	<u>213,924</u>
Cash and cash equivalents at the end of year	<u><u>\$ 227,079</u></u>

Shown on balance sheet as

Cash and cash equivalents	\$ 147,778
Cash reserves - building fund	<u>79,301</u>
Total Cash	<u><u>227,079</u></u>

The accompanying notes are an integral part of the financial statements.

Utah Independent Living Center, Inc.

Notes to Financial Statements

September 30, 2005

NOTE 1 - Summary of Significant Accounting Policies

Organization

Utah Independent Living Center, Inc. (the Center) is a Utah not-for-profit corporation organized for the purpose of providing services, training and counseling to disabled persons.

Fund Accounting

The accompanying financial statements of the Center have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Center and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently. Generally, the donors of these assets permit the organization to use all or part of the income earned on any related investments for general or specific purposes. At present, the Center had no permanently restricted net assets.

Property and Equipment:

Purchased property and equipment is recorded at cost and donated equipment is recorded at fair value at the date of contribution. Depreciation on equipment is computed using the straight-line method over the useful lives of the assets which range from three to seven years. Depreciation on real property improvements is computed using the straight-line method over a useful life of 15 years.

Utah Independent Living Center, Inc.
Notes to Financial Statement - Continued
September 30, 2005

NOTE 1 - Summary of Significant Accounting Policies - continued

Funding Sources

The Center is primarily funded by grants from Utah State Office of Education - Division of Rehabilitation Services, Federal Department of Education, the United Way, Center for Medicaid and Medicare Services and contributions from private donors. All private contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

State funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, if the Center fails to comply with the terms of the grants/contracts, and may discontinue future grants to the Center.

In-Kind Contributions

Contributions of service and supplies can be made to the Center by individuals and business organizations. Services contributed are recognized as in-kind contributions based on the hours of service received times a normal hourly rate for the service performed. The Center had no donated services that met SFAS 116 criteria.

Supplies contributed are recognized as in-kind contributions based on their fair market value. The Center received donated supplies of \$24,838 during the year ended September 30, 2005.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Center considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude endowment cash and cash equivalents.

Investments

The Center had no investments during the year.

Utah Independent Living Center, Inc.
Notes to Financial Statement - Continued
September 30, 2005

NOTE 1 - Summary of Significant Accounting Policies - continued

Income Taxes

The Center is a nonprofit corporation and is exempt from income taxes under section 501 (c) (3) of the Internal Revenue Code.

Functional Allocation of Expenses

The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 2 - Cash

At September 30, 2005 the carrying amount of cash was \$227,079, with a bank balance of \$272,398. The main depository institution where cash is held, is FDIC insured up to \$100,000. The balance at this bank was \$242,551 which leaves an uninsured portion of \$142,551 at September 30, 2005. The remaining bank balances were covered by the FDIC insurance.

NOTE 3- Property & Equipment

Property and equipment at September 30, 2005 consists of the following:

Land	\$ 187,067
Building & improvements	226,933
Furniture & fixtures	288,729
Transportation equipment	93,911
	<hr/> 796,640
Accumulated depreciation	<hr/> (429,668)
Property and equipment, net	<hr/> <hr/> \$ 366,972

NOTE 4 - Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

No temporarily restricted assets	<hr/> <hr/> \$ -
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The Center has no temporarily restricted net assets with a time restriction, or permanently restricted net assets.

Utah Independent Living Center, Inc.
Notes to Financial Statement - Continued
September 30, 2005

NOTE 5 - Retirement Plan

The Center has made a tax-sheltered annuity plan available to employees which is administered by a third party. Employees may contribute a minimum of \$5 per month up to a maximum of 20 percent of their salary to the plan. The Center has made no contributions to the plan and has no obligation to make any contributions.

The Center established a Simplified Employee Pension Plan during the fiscal year ended September 30, 1990. Contributions for the fiscal year ended September 30, 2005 were \$63,041. Future contributions to the plan will be made at the discretion of management with the approval of the Board of Directors.

NOTE 6 - Risk Management

The Center is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Center carries commercial insurance.

NOTE 7 - Major Funding Source

The Center received 48% of its funding for the year from a grant from the Department of Education. Loss of this funding source would have a severe impact on the Center's operations and its ability to continue in existence without additional funding. Management anticipates a continuation of this funding.

NOTE 8 - Grant Accounting

Certain granting agencies require the Center to report using a regulatory basis of accounting. This represents a comprehensive basis of accounting which differs from generally accepted accounting principles. The regulatory basis of accounting differs from generally accepted accounting principles in the treatment of property and equipment and depreciation which are accounted for on a cash basis, and on the recognition of obligated funds.

Utah Independent Living Center, Inc.
Notes to Financial Statement - Continued
September 30, 2005

NOTE 8 - Grant Accounting - continued

The total functional expenses for the year ended September 30, 2005 reflected under generally accepted accounting principles reconciles to total expenditures reflected using the regulatory basis of accounting as follows:

Total functional expenses - (GAAP basis)	\$ 898,780
Capital expenditures	23,750
Depreciation	(36,620)
Encumbrances	<u>1,988</u>
Total functional expenses - Regulatory Basis	<u>\$ 887,898</u>



ADDITIONAL INFORMATION

(Regulatory Basis)

Ulrich & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

To the Board of Trustees of
Utah Independent Living Center, Inc.

Our report on our audit of the basic financial statements of Utah Independent Living Center, Inc. for the year ended September 30, 2005 appears in the first section of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying additional information, prepared on a regulatory basis of accounting is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Ulrich & Associates, P.C.

January 10, 2006

Members of Utah Association of CPAs / American Institute of CPAs

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Year Ended September 30, 2005

	Restricted				Unrestricted				
		Title VII	Community Integration	United Way/DSPD	Nursing Home	Other	Total	Private Contributions	Total
Revenues									
Grants	\$ 406,677	226,586	33,760	24,028	133,333	21,086	845,470	-	845,470
Contributions	-	-	-	-	-	-	-	5,371	5,371
Fundraising	-	-	-	-	-	-	-	28,707	28,707
Other income	-	-	-	-	-	-	-	1,305	1,305
In-kind contributions	406,677	226,586	33,760	24,028	133,333	21,086	845,470	35,383	880,853
Total revenues	406,677	226,586	33,760	24,028	133,333	21,086	845,470	24,838	905,691
Expenditures									
Salary and wages	255,995	99,849	18,192	14,057	28,755	6,017	422,865	-	422,865
Payroll taxes and benefits	105,625	68,751	14,802	10,961	12,375	1,131	213,645	-	213,645
Consumable supplies	2,902	1,253	182	808	332	-	5,477	-	5,477
Computer software	1,067	1,786	-	-	-	-	2,853	-	2,853
Contractual services	-	13,440	-	-	1,795	-	15,235	-	15,235
Interpreter	2,690	2,270	-	-	300	800	6,060	-	6,060
Space costs	4,441	1,957	135	34	218	2,210	8,995	-	8,995
Travel	2,700	2,212	117	526	2,199	155	7,909	-	7,909
Vehicle expense	4,530	1,943	-	-	-	-	6,473	-	6,473
Vehicle insurance	5,552	8,751	-	431	-	-	14,734	-	14,734
Staff training	550	315	-	10	-	-	875	-	875
Program supplies	2,171	1,936	335	174	138	-	4,754	-	4,754
Postage	657	1,161	11	38	291	-	2,158	-	2,158
Printing and copying	2,149	1,762	24	188	1,725	-	5,848	729	6,577
Subscriptions	597	164	44	-	44	-	849	-	849
Telephone	4,147	1,310	98	111	614	-	6,280	-	6,280
Office equipment maintenance	2,098	2,173	-	453	1,367	9,391	15,482	-	15,482
Building maintenance	3,188	1,596	-	80	80	-	4,944	-	4,944
Association dues	1,805	1,820	-	-	-	-	3,625	-	3,625
Office insurance	3,745	7,074	-	84	-	-	10,903	-	10,903
Outstation expense	-	8,990	-	-	-	-	8,990	-	8,990
Daily living items/ emergency	-	-	-	-	-	1,382	1,382	-	1,382
Sub recipient	-	-	-	-	83,100	-	83,100	-	83,100
Building expense	-	-	-	-	-	-	-	4,100	4,100
Miscellaneous	68	-	-	-	-	-	68	4,727	4,795
Total expenses before in-kind	406,677	230,513	33,940	27,955	133,333	21,086	853,504	9,556	863,060
In-kind expenses	-	-	-	-	-	-	-	24,838	24,838
Total expenses	406,677	230,513	33,940	27,955	133,333	21,086	853,504	34,394	887,898
Excess of revenues over expenditures	\$ -	(3,927)	(180)	(3,927)	-	-	(8,034)	25,827	17,793

Utah Independent Living Center, Inc.

Statement of Revenues and Expenditures Compared to Budget (Regulatory Basis of Accounting)

TITLE VII - PART C

Year Ended September 30, 2005

	<u>Approved Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues			
Grants	\$ 406,677	406,677	-
Total revenues	<u>406,677</u>	<u>406,677</u>	<u>-</u>
Expenditures			
Salary and wages	285,735	255,995	29,740
Payroll taxes and benefits	86,870	105,625	(18,755)
Equipment	-	-	-
Computer systems	300	1,067	(767)
Consumable supplies	3,709	2,902	807
Interpreter	962	2,690	(1,728)
Space costs	3,524	4,441	(917)
Travel (local)	2,170	2,700	(530)
Vehicle expense	2,360	4,530	(2,170)
Vehicle insurance	3,970	5,552	(1,582)
Training	605	550	55
Program supplies	1,680	2,171	(491)
Postage	925	657	268
Printing and copying	1,193	2,149	(956)
Subscriptions	624	597	27
Telephone	3,500	4,147	(647)
Office equipment maintenance	1,441	2,098	(657)
Building maintenance	1,923	3,188	(1,265)
Association dues	1,584	1,805	(221)
Office insurance	3,338	3,745	(407)
Miscellaneous	264	68	196
Total expenses	<u>406,677</u>	<u>406,677</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>

Utah Independent Living Center, Inc.
Statement of Revenues and Expenditures Compared to Budget
(Regulatory Basis of Accounting)

Grant Fiscal Year July 2005 - June 2006

TITLE VII - PART B (State and Federal)

Three months ended September 30, 2005

	<u>Approved Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues			
Grants	\$ 248,387	44,260	(204,127)
Total revenues	<u>248,387</u>	<u>44,260</u>	<u>(204,127)</u>
Expenditures			
Salary and wages	131,687	14,869	116,818
Payroll taxes and benefits	52,625	15,645	36,980
Consumable supplies	2,500	514	1,986
Contractual services	6,000	-	6,000
Interpreter	1,500	360	1,140
Personal assistance	150	-	150
Space costs	2,400	414	1,986
Computer system	2,400	-	2,400
Travel	4,370	54	4,316
Vehicle expense	1,717	403	1,314
Vehicle insurance	2,550	3,550	(1,000)
Staff training	2,300	-	2,300
Program supplies	2,854	363	2,491
Postage	800	351	449
Printing and copying	1,502	357	1,145
Subscriptions	612	-	612
Telephone	1,200	62	1,138
Office equipment maintenance	1,400	-	1,400
Building/equipment/maintenance	15,800	295	15,505
Association dues	600	851	(251)
Office insurance	1,240	3,240	(2,000)
Storage space rent	-	-	-
Outstation expense	<u>12,180</u>	<u>2,932</u>	<u>9,248</u>
Total expenses	<u>248,387</u>	<u>44,260</u>	<u>204,127</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>

Utah Independent Living Center, Inc.

Statement of Revenues and Expenditures Compared to Budget (Regulatory Basis of Accounting)

Grant Fiscal Year July 2004 - June 2005

TITLE VII - PART B (State and Federal)

Three months ended September 30, 2004 (A)

Nine months ended June 30, 2005 (B)

	Approved Budget	(A) Actual	(B) Actual	Total Expenditures	Favorable (Unfavorable) Variance
Revenues					
Grants	\$ 224,754	38,503	186,251	224,754	-
Total revenues	224,754	38,503	186,251	224,754	-
Expenditures					
Salary and wages	118,946	26,756	84,980	111,736	7,210
Payroll taxes and benefits	50,803	2,462	53,106	55,568	(4,765)
Computer system	1,800	-	1,786	1,786	14
Consumable supplies	2,000	197	740	937	1,063
Contractual services	11,000	(3,833)	13,440	9,607	1,393
Interpreter	1,500	510	1,870	2,380	(880)
Personal assistance	150	-	40	40	110
Space costs	2,400	701	1,544	2,245	155
Travel	2,519	207	2,158	2,365	154
Vehicle expense	1,000	1,246	1,540	2,786	(1,786)
Vehicle insurance	2,550	2,120	5,201	7,321	(4,771)
Staff training	3,745	-	315	315	3,430
Program supplies	3,759	690	1,571	2,261	1,498
Postage	1,000	276	810	1,086	(86)
Printing and copying	2,300	-	1,405	1,405	895
Subscriptions	612	-	164	164	448
Telephone	1,200	413	1,247	1,660	(460)
Office equipment maintenance	2,200	252	2,173	2,425	(225)
Building/ equipment/ maintenance	1,400	539	1,301	1,840	(440)
Association dues	450	267	969	1,236	(786)
Office insurance	1,240	2,164	3,834	5,998	(4,758)
Outstation expense	12,180	3,536	6,057	9,593	2,587
Total expenses	224,754	38,503	186,251	224,754	-
Excess of revenues over expenditures	\$ -	-	-	-	-

Utah Independent Living Center, Inc.

Statement of Revenues and Expenditures Compared to Budget (Regulatory Basis of Accounting)

Grant Fiscal Year July 2005 - June 2006

PART B - COMMUNITY INTEGRATION

Three months ended September 30, 2005

	<u>Approved Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues			
Grants	<u>\$ 36,400</u>	<u>2,387</u>	<u>(34,013)</u>
Total revenues	<u>36,400</u>	<u>2,387</u>	<u>(34,013)</u>
Expenditures			
Salary and wages	22,838	1,211	2,558
Payroll taxes and benefits	12,212	1,137	(2,967)
Consumable supplies	135	7	(41)
Interpreter	-	-	-
Space costs	102	2	(37)
Travel	437	24	344
Vehicle insurance	-	-	-
Program supplies	529	3	197
Postage	19	3	8
Printing and copying	23	-	(1)
Subscriptions	32	-	(12)
Telephone	<u>73</u>	<u>-</u>	<u>(49)</u>
Total expenses	<u>36,400</u>	<u>2,387</u>	<u>34,013</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>

Utah Independent Living Center, Inc.
Statement of Revenues and Expenditures Compared to Budget
(Regulatory Basis of Accounting)

Grant Fiscal Year July 2004 - June 2005

PART B - COMMUNITY INTEGRATION

Three months ended September 30, 2004 (A)
Nine months ended June 30, 2005 (B)

	<u>Approved Budget</u>	<u>(A) Actual Expenditures</u>	<u>(B) Actual Expenditures</u>	<u>Total Expenditures</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues					
Grants	\$ 36,400	4,847	31,553	36,400	-
Total revenues	<u>36,400</u>	<u>4,847</u>	<u>31,553</u>	<u>36,400</u>	<u>-</u>
Expenditures					
Salary and wages	22,500	3,299	16,981	20,280	2,220
Payroll taxes and benefits	12,147	1,514	13,665	15,179	(3,032)
Consumable supplies	175	1	175	176	(1)
Interpreter	-	-	-	-	-
Space costs	130	6	133	139	(9)
Travel	558	-	93	93	465
Vehicle insurance	-	-	-	-	-
Program supplies	700	-	332	332	368
Postage	25	3	8	11	14
Printing and copying	30	-	24	24	6
Subscriptions	40	-	44	44	(4)
Telephone	95	24	98	122	(27)
Total expenses	<u>36,400</u>	<u>4,847</u>	<u>31,553</u>	<u>36,400</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

OTHER REPORTS

Ulrich & Associates, PC

Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees of
Utah Independent Living Center, Inc.

We have audited the financial statements of Utah Independent Living Center, Inc. as of and for the year ended September 30, 2005, and have issued our report thereon dated January 10, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Utah Independent Living Center, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Utah Independent Living Center, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Members of Utah Association of CPAs / American Institute of CPAs

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However, we noted certain immaterial instances of noncompliance, which we have reported to management of Utah Independent Living Center, Inc. in a separate letter dated January 10, 2006.

This report is intended solely for the information and use of the board of trustees, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wink & Associates, P.C.

January 10, 2006

Ulrich & Associates, PC

Certified Public Accountants

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Trustees of
Utah Independent Living Center, Inc.
Salt Lake City, Utah

Compliance

We have audited the compliance of Utah Independent Living Center, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2005. Utah Independent Living Center, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Utah Independent Living Center, Inc.'s management. Our responsibility is to express an opinion on Utah Living Center, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Utah Independent Living Center, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Utah Independent Living Center, Inc.'s compliance with those requirements.

In our opinion, Utah Independent Living Center, Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended September 30, 2005.

Members of Utah Association of CPAs / American Institute of CPAs

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Internal Control Over Compliance

The management of Utah Independent Living Center, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Utah Independent Living Center, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Ulrich & Associates, P.C.

January 10, 2006

Utah Independent Living Center, Inc.
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2005

Program Title	Federal CFDA Number	Revenue Recognized	Disbursements/ Expenditures
<u>Department of Education</u>			
Direct Program: Title VII, Part C	84.132A	406,677	406,677
Passed through Utah State Office of Education Department of Rehabilitation Services			
Part B	84.169A	48,392	48,392
<u>Department of Health & Human Services</u>			
Direct Program: Nursing Home Transition Independent Living Partnership	93.779	133,333	133,333
Passed through Utah Department of Human Services (DHS) Division of Services for People with Disabilities (DSPD)			
Title VII Home and Community Based on Waiver	93.714	10,542	10,542
Totals		<u>\$ 598,944</u>	<u>\$ 598,944</u>

Note to Schedule of Expenditures of Federal Awards

(A) Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Utah Independent Living Center, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements on OMB Circular A-133, **Audits of States, Local Governments, and Non-Profit Organizations.**

Utah Independent Living Center, Inc.
Schedule of Findings and Questioned Costs
Year Ended September 30, 2005

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified
Internal control over financial reporting:
Material weakness (es) identified ☐ yes ☒ no
Reportable condition (s) identified
not considered to be material weaknesses? ☐ yes ☒ none reported
Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:
Material weakness (es) identified? ☐ yes ☒ no
Reportable condition (s) identified
not considered to be material weaknesses? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for
major programs: unqualified

Any audit findings disclosed that are required to
be reported in accordance with Circular A-133,
Section .510 (a) ☐ yes ☒ no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Programs</u>
93.779	CMS IL Partnership for Nursing Home Transition
84.169A	Utah State Office of Rehabilitation Part B

Dollar threshold used to distinguish
between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

Section II - Financial Statement Findings

None reported

Section III- Federal Awards Findings and Questioned Costs

None reported